

# Purchase Orders, Invoices, and Shipping

Chapter 16 Sec 3





# Business to Business Sales

- Much of the math done in business-to-business sales is for purchase orders or invoices

STATE OF  
NEW YORK

# PURCHASE ORDER

Orig. Campus Code <b>28010</b>	Date (MM) (DD) (YY) <b>11/ 12 /03</b>	Federal Tax Exemption Number	Comptroller's Contract No. <b>PC57449</b>	Commodity Group No. <b>39000 00</b>	Purchase Order No. <b>802222</b>
Originating Campus <b>UNIVERSITY AT ALBANY</b>			P.O. NO. MUST SHOW ON ALL BILLS AND CORRESPONDENCE		

Vendor  <b>GRAINGER INDUSTRIAL SUPPLY</b> 35 CORPORATE CIRCLE ALBANY NY 12203 5154 PAYEE ID 361150280 ADDTL ZIP 12203	Ship to <b>STATE UNIVERSITY AT ALBANY</b> ATTN:P.MARQUARDT PURCHASE ORDER NUMBER -802222 1400 WASHINGTON AVENUE MGNT SERV CTR 302 ALBANY NY 12222
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Unless Otherwise Indicated, All Prices are F.O.B. Destination	Bill to <b>STATE UNIVERSITY AT ALBANY</b> ACCOUNTS PAYABLE PURCHASE ORDER NUMBER -802222 1400 WASHINGTON AVENUE MSC ROOM 203 PH.518-442-3197 ALBANY NY 12222 0000
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Item No.	Description of Material/Service	Quantity	Unit	Price	Amount
REF #	SHIP ATTN OF P. MARQUARDT/MGNT SERV CTR 302				
1	72"X 30" STEEL FOLDING TABLE MODEL # KI NH-6 ITEM # 3W110 PRICE PER NYS CONTRACT	3	EA	74.95	224 85
	GRAND TOTAL				224 85

PO/Contract	Line	Act	Amount	Dept.	Cost Center	Var.	Yr.	Object
802222	001	A	224 85	28	101018	3R	03	57280

REQUISITION 000009P	SUNY ACCOUNT	SUB	OBJECT
	860760	00	7222

PO/Contract	Line	Act	Amount	Dept.	Cost Center	Var.	Yr.	Object

	SUNY ACCOUNT	SUB	OBJECT

CAMPUS USE  
INITIALED BY PM

VENDOR

Authorized Signature

# Purchase Orders

- To place an order, most companies prepare a purchase order (PO).
- It is a legal contract between the buyer and the supplier.
- It lists the quantity, price, and description of the products ordered.
- It lists the terms of payment and delivery.



## Company Text Logo

55 EST, Company Address  
Montreal, Quebec H1H H2H  
Tel 123-1234 Fax 123-1234

Invoice No: INV000101

TPS 123456789

TVQ 1234567890

### INVOICE

#### Client

Name John Little  
Address \_\_\_\_\_  
City \_\_\_\_\_ Prov \_\_\_\_\_ Zip \_\_\_\_\_  
Tele 123-4567

Date Oct 18, 2002  
Staff ID 2  
Staff Name Michael  
Dept \_\_\_\_\_

Qty	Description	Unit Price	Total
2	Company Fan	15.00	30.00

Payment: Cash

Sign: \_\_\_\_\_

SubTotal \$ 30.00  
Shipping \$ 0.00  
Taxes GST 7.0% \$ 2.10  
QST 7.5% \$ 2.41  
**Total** \$ 34.51  
**Deposit** \$ 0.00  
**Balance** \$ 34.51

- Aucun remboursement en argent. - Des frais de remise en inventaire de 20% seront appliqués sur toute marchandise retournée approuvée.(en dedans de 7 jours suivant la date de réception) - Toutes les marchandises demeurent la propriété de Infotech jusqu'à leur paiement en entier. - Tout retour ou service de garantie doit être accompagné d'une copie de la facture d'achat. - Aucun retour de marchandise est accepté après 15 jours. - Les comptes passés dus seront sujets a des frais d'intérêt de 1.5% par mois.- Un mois de garantie pour CPU. - Une an garantie dans les systems + deux ans de main d'œuvre pour les systems. - Une an garantie dans les pieces.

- No cash refund. - 20% restocking charge will be applied on all approved returns within 7 days. - All merchandise title remains with InfoTech until full payment has been made. - All returns or warranty services must be accompanied by the sales invoices. - No return for goods purchased over 15 days. - Overdue accounts subject to monthly interest of 1.5%. one month guarantee for all CPU. - One year guarantee and 2 years of labor for all system. - One-year guarantee for all part.

# Invoices

- When filling an order based on a PO, a vendor will include an invoice with the delivered merchandise.
- In addition to the merchandise total there are also places for sales tax, shipping charges, and the amount to be paid by the customer.



# Dating Terms

- Dating terms state when a bill must be paid and the discount permitted for paying early.
- Ordinary dating occurs when the dating terms are based on the invoice date.
- Ex: 2/10, net 30 --- specifies the percent of discount permitted for paying early (2 percent), the number of days the buyer has to take advantage of the discount (10 days), and the number of days within which the invoice must be paid (30 days).



# Shipping

- In retail sales transactions, shipping charges are not subject to tax.
- Parcel Post – offered by the U.S. Postal Service
- Cash on Delivery (COD) – the postal carrier will collect the amount due from the customer and forward it to the company
  - There is an additional charge for this
- Express Mail services include Federal Express, UPS (United Parcel Service), and DHL Express.



# Delivery

- Delivery terms are part of the selling arrangement negotiated between the buyer and the seller.
- F.O.B. = Free On Board
- F.O.B. destination – The ownership remains with seller until goods reach their destination. Seller pays costs.
- F.O.B. shipping point – The buyer pays costs and is responsible for transit damages.
- F.O.B. factory freight prepaid – The goods become the buyer's property, but the seller pays for shipping.
- F.O.B. destination charges reversed – The buyer pays but if goods are lost or damaged in transit, the buyer's investment is protected.